

# **PEARL GULL IRON LIMITED**

(formerly Pearl Gull Pty Ltd)

ACN 621 103 535

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

**PEARL GULL IRON LIMITED**  
**ACN 621 103 535**  
  
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**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

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## DIRECTORS' REPORT

The directors of Pearl Gull Iron Limited (formerly Pearl Gull Pty Ltd) ("the Company") present their Interim Financial Report for the period ended 31 December 2020.

### Directors

The names of the directors of the Company during or since the end of the year are:

- Ian MacIver (appointed 15 August 2017, resigned 29 March 2021)
- Aaron Constantine (appointed 15 August 2017, resigned 7 December 2020)
- Alexander Passmore (appointed 1 February 2021)
- Jonathan Fisher (appointed 1 February 2021)
- Catherine Moises (appointed 1 February 2021)

The above directors held office since the start of the half-year period to the date of this report, unless indicated otherwise.

### Principal activities

The Company is a company limited by shares incorporated in Australia whose shares are unlisted as at the reporting date. The Company is domiciled in Australia and was incorporated on 15 August 2017.

The principal activity of the Company during the year was:

- maintenance and evaluation of its tenement package; and
- necessary corporate activities to strategically position the Company for the future.

### Review of operations

The Company generated a loss after tax of \$183,691 (2019: \$188,342) for the period ended 31 December 2020.

### Significant changes in the state of affairs

No significant changes in the state of affairs of the Company occurred during the half-year period.

### Indemnification and insurance of directors and officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as directors or executives, for which they may be held personally liable, except where there is a lack of good faith.

During the half-year period, the Company paid a premium in respect of a contract to insure the directors & executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

### Events after the reporting date

In January 2021, Pearl Gull:

- raised \$1.457m post year end in convertible notes, \$830,000 of which was used to partially repay the existing loan account to its parent entity, Cockatoo Iron NL;
- taken an assignment of the total of 1,334,774 of convertible notes issued by Cockatoo Iron NL (including interest accrued) to third parties in consideration for the issue of \$1,334,774 of Pearl Gull convertible notes;
- assumed liability of \$144,477 for Cockatoo's creditors and issued convertible notes; and
- issued Cockatoo Iron NL with 43.5 million Pearl Gull shares in satisfaction of the balance of the intercompany loan.

The result of these actions is that Pearl Gull has repaid its parent entity all monies it owed and with the consequence being the Cockatoo is now debt free.

As to the balance of the funds raised by Pearl Gull after payments to Cockatoo, Pearl Gull intends to apply those funds to provide further working capital and the costs of undertaking an IPO.

## **DIRECTORS' REPORT (CONTINUED)**

As announced to the ASX on 22 January 2020, Carbine Resources Limited ("Carbine") had entered into a binding Share Sale Agreement with Pearl Gull's parent entity, Cockatoo Iron NL ("Cockatoo"), to acquire all of the shares and convertible notes Cockatoo had on issue. Refer to the ASX announcement by Carbine on 22 January 2020 for details in respect of the acquisition. Subsequently, Cockatoo and Carbine withdrew from that transaction and entered into a new transaction pursuant to which Cockatoo agreed to sell all of its shares in its wholly owned subsidiary, Pearl Gull Iron Limited ("Pearl Gull") to Carbine. After a further period, Cockatoo withdrew from the revised transaction with Carbine as per the ASX announcement dated 14 December 2020 by Carbine.

In February 2021, Pearl Gull raised a further \$2.26 million in convertible notes. The monies raised will be applied to commencing exploration work on the Mining Lease, funding the IPO and providing ongoing working capital.

Other than the points noted above, there has not been any matter or circumstance that has arisen since the end of the half-year period that has significantly affected, or may significantly affect the operations of the Company, and the results of those operations, or the state of affairs of the Company in future financial years.

### **Future developments**

Disclosure of information regarding likely developments in the operations of the Company in future half-year period and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

### **Environmental regulations**

The directors are not aware of any material breach of any environmental regulations under the Commonwealth or any State legislation or in any country applicable to the Company's operations.

### **Dividends**

No dividends were paid out during the half-year period. The directors do not recommend the payment of any dividend in respect of the current half-year period.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### **Non-Audit Services**

During the period, the Company's auditor did not perform any other services in addition to their statutory full year audit.

### **Rounding**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that instrument, amounts in the Financial Statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### **Auditor's independence declaration**

The auditor's independence declaration received by the directors of the Company is included on page 6 of the financial report and forms part of the Directors' Report for the period ended 31 December 2020.

Signed in accordance with a resolution of the directors.



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Alex Passmore  
Director  
27 April 2021



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Pearl Gull Iron Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Pearl Gull Iron Limited for the financial year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

KPMG

A handwritten signature in blue ink, appearing to read 'R Gambitta', with a stylized flourish at the end.

R Gambitta  
*Partner*

Perth

27 April 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 \$	31 December 2019 \$
<b>Income</b>			
Interest income		1	-
<b>Total income</b>		<u>1</u>	<u>-</u>
<b>Expenses</b>			
Professional fees	2	(133,498)	(96,540)
Administrative costs		(17,213)	(1,198)
Exploration expenditure		(34,278)	(97,899)
Finance Costs		(32,983)	(46,506)
<b>Total expenses</b>		<u>(217,971)</u>	<u>(242,143)</u>
<b>Profit/(Loss) before income tax</b>		<b>(217,970)</b>	<b>(242,143)</b>
Income tax benefit		34,279	53,800
<b>Profit/(Loss) for the period</b>		<u><b>(183,691)</b></u>	<u><b>(188,343)</b></u>
<b>Other comprehensive Profit/(Loss)</b>		-	-
<b>Total comprehensive Profit/(Loss) for the period</b>		<u><b>(183,691)</b></u>	<u><b>(188,343)</b></u>

*The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report.*

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

		31 December 2020	30 June 2020
	Notes	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,457,001	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,457,001</b>	<b>-</b>
<b>NON-CURRENT ASSETS</b>			
Exploration & evaluation asset	4	10,545,116	10,659,774
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,545,116</b>	<b>10,659,774</b>
<b>TOTAL ASSETS</b>		<b>12,002,117</b>	<b>10,659,774</b>
<b>CURRENT LIABILITIES</b>			
Provisions	7	698,280	698,280
Convertible Notes to be issued	6	1,457,000	-
Borrowings	5	4,412,604	4,227,616
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,567,884</b>	<b>4,925,896</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		673,750	673,750
Provisions	7	7,496,355	7,578,030
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,170,105</b>	<b>8,251,780</b>
<b>TOTAL LIABILITIES</b>		<b>14,737,989</b>	<b>13,177,676</b>
<b>NET LIABILITIES</b>		<b>(2,735,872)</b>	<b>(2,517,902)</b>
<b>EQUITY</b>			
Other contributed equity		(1,142,940)	(1,108,661)
Accumulated losses		(1,592,932)	(1,409,241)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b>(2,735,872)</b>	<b>(2,517,902)</b>

*The Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report.*

**STATEMENT OF CASHFLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 \$	31 December 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(150,710)	(97,738)
Interest received		1	-
<b>Net Cash used in Operating Activities</b>		<b>(150,709)</b>	<b>(97,738)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration & evaluation		(34,278)	(97,899)
<b>Net Cash used in Investing Activities</b>		<b>(34,278)</b>	<b>(97,899)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of convertible notes		1,457,000	-
Proceeds from borrowings		184,988	195,637
<b>Net Cash from Financing Activities</b>		<b>1,641,988</b>	<b>195,637</b>
NET INCREASE IN CASH HELD		<b>1,457,001</b>	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	3	<b>1,457,001</b>	-

*The Statement of Cashflows should be read in conjunction with the Notes to the Interim Financial Report.*



**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Issued Capital \$	Other Contributed Equity \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2019</b>	-	(957,562)	(917,573)	(1,875,135)
Profit/(Loss) for the period	-	-	(188,343)	(188,343)
Total comprehensive profit for the period	-	-	(188,343)	(188,343)
Transactions with owners in their capacity as owners:				
Derecognition of current tax asset as assumed by parent entity	-	(53,800)	-	(53,800)
<b>Balance at 31 December 2019</b>	-	(1,011,362)	(1,105,916)	(2,117,278)

	Issued Capital \$	Other Contributed Equity \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2020</b>	-	(1,108,661)	(1,409,241)	(2,517,902)
Profit/(Loss) for the period	-	-	(183,691)	(183,691)
Total comprehensive (loss) for the period	-	-	(183,691)	(183,691)
Transactions with owners in their capacity as owners:				
Derecognition of current tax asset as assumed by parent entity	-	(34,279)	-	(34,279)
<b>Balance at 31 December 2020</b>	-	(1,142,940)	(1,592,932)	(2,735,872)

*The Statement of changes in Equity should be read in conjunction with the Notes to the Interim Financial Report.*

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

### 1. BASIS OF PREPARATION OF THE FINANCIAL REPORT

These interim financial statements constitute a general purpose financial report and have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB134 ensures compliance with IAS134: Interim Financial Reports. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2020.

These interim financial statements were approved by the Board of Directors on 27 April 2021.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

All monetary values are reported in Australian Dollar unless otherwise stated.

#### Significant Accounting Policies

The principal accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the Preparation of the Company's annual financial statements for the year ended 30 June 2020. The Company did not early adopt any other standard, Interpretation or amendment that has been issued but is not yet effective.

The Company did not adopt any new and/or revised standards, amendments or Interpretations from 1 July 2020 which had a material effect on the financial position or performance of the Company.

#### Financial Risk Management

During the six months ended 31 December 2020 the Company's financial risk management objectives and policies were consistent with that disclosed in the financial report as at and for the year ended 30 June 2020.

#### a. Going Concern

The Company incurred a loss of \$183,691 for the period ended 31 December 2020 (2019: \$188,343), net cash outflows from operating activities of \$150,709 (2019: \$97,738) and is in a net current liability position of \$5,110,883 (30 June 2020: \$4,925,896) and has a cash and cash equivalents balance of \$1,457,001 (30 June 2020: \$nil) as at the end of the year.

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raisings and/or sales of shares in Pearl Gull to continue to fund its operations.

The Directors believe the Company will have access to sufficient funding to meet the entity's working capital requirements as at the date of this report. Accordingly, the financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

In January 2021, Pearl Gull:

- a) raised \$1.457m post year end in convertible notes, \$830,000 of which was used to partially repay the existing loan account to its parent entity, Cockatoo Iron NL;
- b) taken an assignment of the total of 1,334,774 of convertible notes issued by Cockatoo Iron NL (including interest accrued) to third parties in consideration for the issue of 1,334,774 of Pearl Gull convertible notes;
- c) assumed liability of \$144,477 for Cockatoo's creditors and issued convertible notes; and
- d) issued Cockatoo Iron NL with 43.5 million Pearl Gull shares in satisfaction of the balance of the intercompany loan.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

The result of these actions is that Pearl Gull has repaid to its parent entity Cockatoo Iron NL or discharged its liability with respect to all monies it owed and has restored the net liability position to a net asset position. In addition, in February 2021, Pearl Gull raised a further \$ 2.26 million in cash via convertible notes.

As to the balance of the funds raised by Pearl Gull paid after payments to its creditors, Pearl Gull intend to apply those funds to provide further working capital and the costs of undertaking an IPO.

	31 December 2020	31 December 2019
<b>2. PROFESSIONAL FEES</b>	\$	\$
Accounting & audit fees	-	1,000
Legal fees	131,998	95,540
Consulting fees	1,500	-
<b>Total professional fees</b>	<b>133,498</b>	<b>96,540</b>

	31 December 2020	30 June 2020
<b>3. CASH AND CASH EQUIVALENTS</b>	\$	\$
Cash at bank	1,457,001	-
<b>Total cash and cash equivalents</b>	<b>1,457,001</b>	<b>-</b>

		31 December 2020	30 June 2020
<b>4. EXPLORATION &amp; EVALUATION ASSET</b>		\$	\$
Tenement acquisition costs	(a)	2,637,040	2,637,040
Current Rehabilitation		698,280	698,280
Capitalised E&E – Rehabilitation Asset	Note 7	7,209,796	7,324,454
<b>Total exploration and evaluation asset</b>		<b>10,545,116</b>	<b>10,659,774</b>

	31 December 2020	30 June 2020
<b>(a) Tenement acquisition costs</b>	\$	\$
Opening balance	2,637,040	2,637,040
Additions in the year	-	-
Disposals in the year	-	-
<b>Closing balance</b>	<b>2,637,040</b>	<b>2,637,040</b>

**(b) Rehabilitation Costs**

Rehabilitation costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction or production phase that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the mining tenement. The costs include obligations relating to reclamation, waste site closer, plant closure and other costs with the rehabilitation of the site. These estimates of the rehabilitation obligation are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. Any changes in the estimates are adjusted on a progressive basis. In determining the rehabilitation obligations, the entity has assumed no significant changes will occur in the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	31 December 2020	30 June 2020
	\$	\$
<b>5. BORROWINGS</b>		
<i>Current borrowings</i>		
Loans – non- interest bearing	4,412,604	4,227,616
<b>Total current borrowings</b>	<b>4,412,604</b>	<b>4,227,616</b>

At 31 December 2020, monies disbursed from Cockatoo Iron NL (“Cockatoo”) through an unsecured loan arrangement with nil interest payable. At 31 December 2020, the balance of the unsecured loan was \$4,412,604 (30 June 2020: \$4,227,616).

In January 2021, Pearl Gull:

- a) raised \$1.457m post year end in convertible notes, \$830,000 of which was used to partially repay the existing loan account to its parent entity, Cockatoo Iron NL. Pearl Gull and is completing a further raising post year end via the issue of convertible notes;
- b) taken an assignment of the total of 1,334,774 of convertible notes issued by Cockatoo Iron NL (including interest accrued) to third parties in consideration for the issue of \$1,334,774 of Pearl Gull convertible notes, allowing the liability to third parties to be rescheduled;
- c) assumed liability of \$144,477 for Cockatoo’s creditors and issued convertible notes allowing the liability to pay those creditors to be rescheduled; and
- d) issued Cockatoo Iron NL with 43.5 million Pearl Gull shares in satisfaction of the balance of the intercompany loan.

The result of these actions is that Pearl Gull has repaid to its parent entity Cockatoo Iron NL or discharged its liability with respect to all monies it owed and with the consequence the Company now being debt free.

	31 December 2020	30 June 2020
	\$	\$
<b>6. CONVERTIBLE NOTES TO BE ISSUED</b>		
<i>Current</i>		
Convertible Notes to be issued	1,457,000	-
<b>Total convertible notes to be issued</b>	<b>1,457,000</b>	<b>-</b>

During the period, the Company signed an agreement with Cannacord Genuity (Australia) Ltd to act on an exclusive basis as sole Leas Manager to a Pre-IPO capital raising via a convertible note issue, and then as Lead Manager to a planned Initial Public Offering (“IPO”) of the Company in early 2021. The proceeds from the Pre-IPO convertible notes were received in December 2020, however the convertible notes were issued post 31 December 2020. The Pre-IPO convertible notes have the following term and conditions:

- Face value of \$1 per convertible note;
- Maturity – 12 months from the issue date;
- Interest rate of 10% per annum and to be paid on completion of the IPO: and
- Conversion and Conversion Price:
  - i) Upon the occurrence of a Conversion Event (IPO Conversion Event, a Capital Raising Event or a Change of Control event) during the conversion period
  - ii) Conversion Price – the lesser of the price per Share equal to 80% of the issue price of Shares as per Conversion Events, and the Maximum Conversion Price.  
 If the Notes convert on the Maturity Date, the conversion price is the lesser of the price per Share equal to 70% of the Fair Market Value and the Maximum Conversion Price.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<b>31 December 2020</b>	<b>30 June 2020</b>
<b>7. REHABILITATION PROVISION</b>	<b>\$</b>	<b>\$</b>
Current Rehabilitation Provision	698,280	698,280
Non-Current Rehabilitation Provision	(a) 7,496,355	7,578,030
<b>Total Rehabilitation Provisions</b>	<b>8,194,635</b>	<b>8,276,310</b>

  

	<b>31 December 2020</b>	<b>30 June 2020</b>
<b>(a) Non-Current Rehabilitation Provision</b>	<b>\$</b>	<b>\$</b>
Opening balance	7,578,030	7,075,102
Movement during the period – Discount unwind	32,983	93,318
Changes in rehabilitation estimate	(114,658)	434,610
<b>Closing balance 30 June</b>	<b>7,496,355</b>	<b>7,578,030</b>

A provision is recognised if, as a result of a past event, the Entity has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision is made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of \$8,501,052. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time.

The provision is recognised as a non-current liability with a corresponding asset included in exploration and evaluation assets (Note 4).

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates and timing or amount of costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as finance costs in profit or loss as it occurs.

If the change in liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the income statement.

If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in profit or loss in the period in which it occurs.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**8. COMMITMENTS AND CONTINGENT LIABILITIES**

There were no commitments or contingent liabilities which would require disclosure at the end of the period, other than those listed below:

- a) On Completion of the acquisition of Sunshine Gold's interest in the Mining Tenements, the parties executed a Revenue Sharing Agreement ("RSA"), whereby the Company was required to pay up to a maximum of \$500,000 per annum of gross revenue received, to Sunshine Gold from certain non-mining activities that may be conducted by third parties within the area of the Mining Tenements. The Company held the right of pre-emption in respect of a sale by Sunshine Gold of its rights under the RSA.

Post 30 June 2019, Pearl Gull and its parent entity, Cockatoo Iron NL ("Cockatoo") executed a Deed of Termination and Release where it has been agreed that Sunshine Gold:

- settles any and all claims against the Company, Pearl Gull and their respective directors;
- terminates the RSA as detailed above; and
- accepts the offer, made by Carbine, to acquire Sunshine Gold's shareholding in Cockatoo where the offer is on the terms announced by Carbine on 22 January 2020,

and in consideration, the Company agreed to pay to Sunshine Gold the sum of \$225,000 on the earlier of:

- the date Carbine issues its shares to Sunshine Gold in consideration for Sunshine Gold's agreement to sell its shares in the Cockatoo to Carbine; or
- if Carbine's agreement to purchase the shares and converting notes in the Cockatoo is terminated, then 5 business days after the date of termination; or
- 31 December 2020.

The sum has now been paid.

In order to maintain Mining Tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

<b>Exploration Expenditure Commitments</b>	<b>\$</b>
Payable:	
Not later than 12 months	16,000
Between 12 months and 5 years	Nil
Great than 5 years	Nil
	<b>\$16,000</b>

The Company has no other contingent liabilities at reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**9. EVENTS AFTER THE REPORTING DATE**

In January 2021, Pearl Gull:

- (a) raised \$1.457m post year end in convertible notes, \$830,000 of which was used to partially repay the existing loan account to its parent entity, Cockatoo Iron NL;
- (b) taken an assignment of the total of 1,334,774 of convertible notes issued by Cockatoo Iron NL (including interest accrued) to third parties in consideration for the issue of \$1,334,774 of Pearl Gull convertible notes;
- (c) assumed liability of \$144,477 for Cockatoo's creditors and issued convertible notes; and
- (d) issued Cockatoo Iron NL with 43.5 million Pearl Gull shares in satisfaction of the balance of the intercompany loan.

The result of these actions is that Pearl Gull has repaid its parent entity all monies it owed. As to the balance of the funds raised by Pearl Gull after payments to the Cockatoo, Pearl Gull intends to apply those funds to provide further working capital, exploration work on the Mining Lease, and the costs of undertaking an IPO.

As announced to the ASX on 22 January 2020, Carbine Resources Limited ("Carbine") had entered into a binding Share Sale Agreement with Pearl Gull's parent entity, Cockatoo Iron NL ("Cockatoo"), to acquire all of the shares and convertible notes Cockatoo had on issue. Refer to the ASX announcement by Carbine on 22 January 2020 for details in respect of the acquisition. Subsequently, Cockatoo and Carbine withdrew from that transaction and entered into a new transaction pursuant to which Cockatoo agreed to sell all of its shares in its wholly owned subsidiary, Pearl Gull Iron Limited ("Pearl Gull"). After a further period, Cockatoo withdrew from the revised transaction with Carbine.

In February 2021, Pearl Gull raised a further \$2.26 million in convertible notes. The monies raised will be applied to commencing exploration work on the Mining Lease, funding the IPO and providing ongoing working capital.

Other than the points noted above, there has not been any matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may significantly affect the operations of the Company, and the results of those operations, or the state of affairs of the Company in future financial years.

**PEARL GULL IRON LIMITED**  
**ACN 621 103 535**

**DIRECTORS' DECLARATION**  
**31 DECEMBER 2020**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 15 are in accordance with the Corporations Act 2001 and:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. give a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the interim period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors



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Alex Passmore  
Director  
27 April 2021





# Independent Auditor's Review Report

To the shareholders of Pearl Gull Iron Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying **Interim Financial Report** of Pearl Gull Iron Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Pearl Gull Iron Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Statement of financial position as at 31 December 2020
- Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows for the Interim Period ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2020.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

R Gambitta  
Partner

Perth

27 April 2021